Tory MP slams Persimmon ‘crooks’

A CONSERVATIVE MP yesterday branded property developer Persimmon a group of “crooks, cowboys and con-artists” after faults emerged in Help to Buy homes built by the firm.

Speaking during Prime Minister’s Questions, Harlow MP Robert Halfon said he had met constituents living in homes built by Persimmon that were “shoddily built, with severe damp and crumbling walls”.

Persimmon was forced to apologise to customers earlier this week following a Channel 4 investigation that found one of its new build homes had a total of 295 faults, including fire doors that did not shut, leaky sinks and faulty waste connections.

The developer makes an average of £66,000 profit for every Help to Buy home it sells at a return of 30 per cent, higher than any of its competitors.

Former chief executive Jeff Fairburn left the company last year following a long-running row over his £75m bonus.

The firm said the damp issues lay with the manufacturer of blocks used in the homes.

FURIOUS CROWD BARKS AT CITY’S WATCHDOG BOSS

THE HEAD of Britain’s financial watchdog was heckled by aggrieved small-scale investors at a public meeting yesterday, following a spate of corporate controversies that have cast a cloud over the body’s reputation in recent months.

Andrew Bailey, the chief executive of the UK’s Financial Conduct Authority, faced a grilling from victims of several high-profile company scandals. Cries of “stop protecting the crooks” and “run away slimy” were shouted at the end of yesterday’s crowded meeting in Moorgate, where members of the public demanded answers to their questions on fraud cases and compensation.

Questions concerning the suspension of Neil Woodford’s flagship fund, the Royal Bank of Scotland’s now-defunct Global Restructuring Group (GRG) and the collapse of London Capital & Finance (LCF) were all put to the FCA board during the two-hour meeting.

The exchanges came as speculation mounts over Bailey’s chances of succeeding Mark Carney as the next Bank of England governor. Bailey yesterday described the LCF’s collapse, which has resulted in thousands of first-time and retired investors fearing the loss of their savings, as a “worrying situation”, as he discussed new potential “regulatory perimeters” that would be aimed specifically at products or examples that typically come outside the FCA’s remit.

“What’s concerning is that we have seen an explosion in the number of high-yield investment opportunities that get offered on the internet,” Bailey said, adding that there was a strong case for regulating how financial products are marketed online.

He also hit out at Woodford, accusing the former star trader’s flagship fund of “following the letter, but not the spirit” of the rules.

On cryptocurrency, he warned: “Only buy a cryptoasset if you are prepared to lose all your money.”
Preparing for no-deal is a national priority

A BLEAGUERED Chris Grayling appeared in front of the Transport Select Committee yesterday for what was likely his final outing as transport secretary. Among the issues raised by MPs for him to answer was Grayling’s decision to hand a £13.8m ferry contract for supplying medicines to the NHS to a company that owned no ships, resulting in a lawsuit from EUtrun, which the government decided to settle for £37m. The ferry contract was subsequently cancelled entirely, at a cost to the taxpayer of £50m. Grayling is not regarded as Theresa May’s most competent minister. He left a litany of mismanagement for his successors at the Ministry of Justice to mop up, and other howls from his transport tenure include legal action for barring Virgin Snapcoach for bidding for a rail franchise, last May’s timetable shambles that saw up to 780 train services cancelled each day because “no one took charge”, and a less than sure-footed response to the drone that shut down Gatwick in December. But the ferry debacle goes beyond the ineptitude of one transport secretary. The purpose of the contract was to ensure the supply of critical imports in the case of a no-deal Brexit. When, during the multiple attempts to ram May’s EU withdrawal agreement through parliament, it became apparent that the government had no intention of risking no-deal even as a last resort, it was scrapped – presumably on the basis that there was little point planning for something that would never be allowed to happen. Now, with less than a week to go until the UK has a prime minister with a very different Brexit attitude, the current government’s no-deal preparation (or lack thereof) suddenly has renewed importance. While the candidates have said that they will aim for a deal, both have been open – even enthusiastic – about the possibility of leaving without one on 31 October. This is an eventuality for which businesses and financial regulators have been preparing since the referendum three years ago. Westminster and Whitehall have not. While politicians have blustered about Britain’s ability to withstand the shock of no-deal, actual contingency planning has been woefully inadequate. Most of the civil servants tasked with no-deal preparation were stood down months ago, returning to their normal Whitehall duties. The new prime minister will have just three months to turn Whitehall into a no-deal machine. Grayling’s ferry fiasco should serve as a reminder not just of what must be done, but the consequences of getting it wrong.

May’s swansong speech takes aim at UK populism

In a speech yesterday that was likely her valedictory as Prime Minister in what is set to be her valedictory speech as Prime Minister in her first Conservative party conference, May called for political discourse to move from the extreme to the moderate. She added: “Today an inability to compromise with pragmatism and make a compromise when required seems to have driven our whole political discourse down the wrong path.”

“IT has led to what is in effect a form of absolutism – one which believes that if you simply assert your view loud enough and long enough you will get your way in the end or that mobilising your own faction is more important than bringing others with you.”

May’s remarks focused on the rise of “absolutism”, and she warned that populists viewed the world “through the prism of ‘us’ and ‘them’.”

“Today an inability to combine principles with pragmatism and make a compromise when required seems to have driven our whole political discourse down the wrong path.”

“I put my own job on the line”, she said, adding: “I was told that if I said I would stand down then the votes would come behind the deal. I said I would stand down and I am doing so. The votes didn’t come. That’s politics.”

Much of May’s speech focused on the rise of “absolutism”, and she warned that populists viewed the world “through the prism of ‘us’ and ‘them’.”

She added: “Today an inability to combine principles with pragmatism and make a compromise when required seems to have driven our whole political discourse down the wrong path.”

She warned that populists “mobilising your own faction is more important than bringing others with you.”

Yet some of May’s own words during her premiership were seen as fuelling these views.

In her first Conservative party conference speech as Prime Minister in 2016, she claimed people who see themselves as “a citizen of the world” are in fact “a citizen of nowhere.”

In November 2018, she referred to EU citizens who had come to the UK under freedom of movement rules as “queue jumpers” – a phrase she later retracted.

When these examples were put to May, she replied: “Has every sort of phrase I’ve used always been as perfect as it should be? No. There will be phrases that people will have interpreted in different ways from what I intended.”

In her speech, May also hit out at politicians “making promises you can’t keep, or by just telling people what you think they want to hear.”

When asked if she was referencing Boris Johnson, the man most likely to replace her as Prime Minister, in her speech, May replied: “No, this is a general observation.”
Netflix staggers as subscribers stay away

THE SUCCESS of Netflix shows such as Stranger Things (above) failed to attract more subscribers, results showed last night, causing the streaming giant’s shares to fall 11 per cent after-hours. Netflix missed its own forecast of 5m users to gain just 2.7m subscribers in its second quarter, well below the 5.5m users it bagged last summer.

Tensions rise as US tech giants under scrutiny

JOE CURTIS AND EMILY NICOLLE

GOOGLE has “terminated” its controversial censored Chinese search engine, codenamed Project Dragonfly, a top executive has said as US tech giants entered their second day of scrutiny.

The project, which a former Google staffer had called “disturbing”, was shelved last December, but suggestions continued to circulate that the tech giant was still running it.

Karan Bhatia, Google’s vice-president of global government affairs and public policy, provided the first official confirmation of the project’s cancellation to The Intercept, and proceeded at pace after Google chief Sundar Pichai met a Chinese government official. Later Google presented a list of thousands of banned websites, such as Wikipedia and the BBC, to purge from search results.

However, the project began to fall apart last year when Dragonfly developers were barred from using data from Google’s Chinese site 265.com.

US politicians also applied similar levels of scrutiny to a plan by Facebook to launch its own Libra cryptocurrency. In his second testimony this week, Facebook’s crypto chief David Marcus was told by the US House Financial Services Committee that it should commit to carrying out a Libra pilot programme with 1m users Overseen by US financial regulators, including the Federal Reserve.

Committee chair Maxine Waters said Facebook and its partners “will wield immense economic power that could destabilise currencies and governments” if it launches Libra in 2020. A separate meeting of G7 finance ministers yesterday said strong regulations must be in place before Facebook can go ahead with its plan.

Elon Musk has plans to connect human brains to computers

JESS CLARK

BILLIONAIRE Elon Musk has revealed plans to develop technology to allow human brains to connect with computers.

Secretive “brain-machine interface” firm Neuralink was founded in 2017 to fight the “existential threat” of artificial intelligence (AI) developing further than humans.

At an event in California Musk said the invention could ultimately give humans the “option of merging with AI” by implanting a chip into the brain.

The company said it hopes to begin testing the product on humans by the end of next year following regulatory approval.

IBM shares fall as legacy business weakness bites

IBM beat analysts’ estimates for second-quarter profit yesterday, propped up by recurring growth in its high-margin cloud computing business, sending its shares up as much as four per cent in extended trading. The New York-based technology services giant, which wrapped up the mega cloud merger with Linux maker Red Hat last week, faced years of revenue declines while it shifted focus to the cloud from established businesses such as mainframe servers.

Revenue from the cloud unit, the faster-growing service and a key metric for the company, grew five per cent to $19.5bn in the following 12 months. Revenue from the cloud and cognitive software segment was up 3.2 per cent at $5.7bn.

BANK OF AMERICA TRIMS NET INTEREST INCOME GUIDANCE

Bank of America reported a 10 per cent increase in quarterly profit yesterday as a healthy US economy boosted demand for loans. Net income applicable to common shareholders rose to $5.1bn ($5.7bn), or 74 cents per share, in the second quarter ending 30 June from $6.5bn, or 63 cents per share, a year earlier.

Revenue, net of interest expense, was up about two per cent at $23.1bn. Analysts had expected a profit of 77 cents per share and revenue of $22.3bn. Chief financial officer Paul Donofrio said on a call with reporters the sequential decline was due to lower long-term interest rates. “I don’t think you can extrapolate that into the future because long-term rates have stabilised at this point,” he said.
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POLICE RAID Italian cops seize Atlantia board filings after Genoa bridge collapse

ITALY’s tax police have seized board-meeting minutes from infrastructure group Atlantia whose toll-road subsidiary operated the Genoa bridge that collapsed last year. The raid is part of the investigation into the disaster, which killed 43 people.

Pension savings left in cash as M&G property fund blocks withdrawals

KATHERINE DENHAM
@katedenham

INSTITUTIONAL investors are being locked out of exiting money from pensions after M&G Prudential decided to block money. The move comes after similar restrictions were placed on British-Swedish drugmaker AstraZeneca.

“With the debt issue being announced as a ‘fully committed’ fait accompli, we see no choice other than to write to you in this public forum in the hope that sunlight is the best disinfectant for the company’s corporate governance failings.”

IN BRIEF

WATCHDOG HUNTS PENSION PAYMENT-DODGING FIRMS

The Pensions Regulator (TPR) said yesterday it will hunt down companies that change their names to dodge workplace pension obligations. A number of small and medium-sized employers have tried to employ “shape-shifting” tactics to avoid paying their staff’s pensions, it said. Those breaching their auto-enrolment duties could be subject to “short-notice inspections.”

INVESTMENT firm Pershing Square Holdings is facing open rebellion by one of its shareholders, after it announced a decision to issue 20-year debt yesterday.

Asst Value Investors (AVI) has sent an open letter to Pershing Square chair Anne Farlow, criticising the decision to issue £400m (€322m) of debt without consulting investors.

London-listed Pershing’s boss Bill Ackman first established himself by spearheading activist investor campaigns against a string of US firms including Wendy’s restaurants.

Now, he finds himself on the receiving end of one.

AVI yesterday described the debt issuance as an “outrageous decision.”

It owns a three per cent stake in Pershing Square, a firm which is valued at £1.1bn.

AVI said issuing the long-dated debt could get in the way of Pershing Square’s ability to reduce the 28 per cent discount to net asset value (NAV) at which its shares trade.

“At AVI, we pride ourselves on being an engaged shareholder in all our investee companies, and our first preference is always to resolve contentious issues behind closed doors.

“With the debt issue being announced as a ‘fully committed’ fait accompli, we see no choice other than to write to you in this public forum in the hope that sunlight is the best disinfectant for the company’s corporate governance failings.”

In an apparent reference to the troubles of Neil Woodford’s investment company, AVI research chief Tom Treanor said: “A near 30 per cent discount to NAV is usually only found on investee companies where the assets are distressed or highly illiquid, where there is some doubt as to the credibility of the valuation, or where the company’s structure of constitution gives rise to a misalignment of incentives and conflict of interest.”

Pershing Square said it takes shareholders’ rights seriously.

AstraZeneca promises cash to back up payments

British-Swedish drugmaker AstraZeneca has promised to plug a £12m hole, if needed, to honour redundancy payments for a plant which it sold in 2011. The pharma giant said it would step in if workers do not get what they are owed from Avara Avlon, which bought the plant in Avonmouth, Bristol.

The move comes after pressure from unions who claimed that Astra had given a “cast iron guarantee” to step in if the plant folded within three years. Avara went bust early last year, leaving administrators scrambling to find the money to pay off its creditors, including £12m for staff. Steve Preddy, the regional secretary for union Unite, said the news would “comfort” many of the former workers who had been with the drugmaker for most of their working lives.

In an apparent reference to the troubles of Neil Woodford’s investment company, AVI research chief Tom Treanor said: “A near 30 per cent discount to NAV is usually only found on investee companies where the assets are distressed or highly illiquid, where there is some doubt as to the credibility of the valuation, or where the company’s structure of constitution gives rise to a misalignment of incentives and conflict of interest.”

Pershing Square said it takes shareholders’ rights seriously.
The prices in UK shops rose by two per cent in the 12 months to the end of June, official figures showed yesterday, with clothing and food costs rising most rapidly in the last year. The two per cent consumer price index (CPI) figure was bang on the Bank of England’s target inflation rate, which it thinks is ideal for ensuring smooth growth in the economy. It means that British workers’ real pay is rising, letting them buy more with their wages. Official figures on Tuesday showed weekly earnings rose 3.6 per cent in the year to June, meaning real pay grew by 1.7 per cent when housing costs are taken into account. With the more volatile categories of food and energy removed, inflation rose by 1.8 per cent in June year on year, a rise of 0.1 percentage points compared with May’s figure, according to the data released yesterday by the Office for National Statistics (ONS). Another of the ONS’s measures of inflation, which includes housing costs, stood at 1.9 per cent in June and was unchanged from May.

David Cheetham, chief market analyst at online trader Xtb, said Bank of England governor Mark Carney “and his fellow rate-setters are unlikely to place too great a weight on this”. He said economic data is “still very much of secondary importance given that Brexit uncertainty continues to loom large”. Phil Smeaton, chief investment officer at Sanlam UK, said central banks were looking to “prematurely” cut interest rates. “Weaker growth and higher inflation, commonly known as stagflation, is an increasingly possible outcome,” he said. Yet he added it was “pragmatic” to not “apply the brakes while the UK’s political situation is so uncertain”.

London house prices crumble under worst plunge in 10 years

JOE CURTIS
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LONDON house prices suffered a staggering 4.4 per cent annual drop in May, their worst annual drop since the financial crisis, public data revealed yesterday. While UK house prices rose 1.2 per cent compared to May 2018, London house prices sank, the Office for National Statistics (ONS) said. Homes in the capital also fell on a monthly basis, dropping 2.5 per cent from April to May to leave the average London house price at £457,471. The 4.4 per cent fall was the worst annual decline London house prices have seen since August 2009 at the height of the financial crisis.

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COMMUTER CHAOS
Waterloo trackside fire closes nine platforms in major incident

COMMUTERS were warned against using Waterloo station during the rush hour yesterday after a fire caused nine platform closures. Delays were set to continue into this morning after equipment sustained “significant damage” from the blaze.
Mr Kipling owner avoids pay revolt by shareholders

JESS CLARK @jclarkjourno

MR KIPLING owner Premier Foods passed its executive pay recommendations yesterday afternoon despite frustrated shareholders’ anger at the state of the company.

Shareholder Richard Cooper told City A.M. that the pay decision was “unregulated unfairness.” One investor said Premier Foods was the “laughing stock of the City” and branded Darby’s leadership “a disaster.” “We came here and get Ambrosia, you came here and get millions,” another said, criticising the firm’s lack of dividend payments.

The director’s remuneration report at the annual general meeting (AGM). Shareholder Richard Cooper told City A.M. that the pay decision was “unregulated unfairness.” One investor said Premier Foods was the “laughing stock of the City” and branded Darby’s leadership “a disaster.” “We came here and get Ambrosia, you came here and get millions,” another said, criticising the firm’s lack of dividend payments.

Activist investor Elliott takes stake in struggling insurance firm Saga

JESS CLARK @jclarkjourno

US ACTIVIST investor Elliott has taken a stake in troubled tourism and insurance firm Saga in a move that could put pressure on management to boost returns.

Shares in Saga closed more than 13 per cent up yesterday following the announcement that Elliott Advisors had taken a 5.14 per cent chunk of the company.

The embattled firm, which is hunting for a new chief executive following Lance Batchelor’s exit, issued a £75m profit warning in April. Elliott is a prolific activist investor. Last year it prompted Whitbread’s sale of Costa Coffee to Coca-Cola and also backed Melrose’s £8bn hostile takeover of GKN.

Russ Mould, investment director at AJ Bell, said: “And so it begins. Saga’s dramatic fall from grace has seen its share price fall to such low levels that an activist investor has popped up on the shareholder register.

“We have good and open relations with all of our shareholders and expect to be in contact with Elliott shortly,” a spokesperson for Saga said.

City of London update

Cutting out single-use plastic waste

T HE City of London Corporation will be eradicating unnecessary single-use plastic waste at Guildhall and The Mansion House by Spring 2020, and across the entire organisation by 2021.

It will bring in new staff procurement rules and work with its contractors to roll out the policy across its supply chain, to reduce its environmental impact.

Unnecessary multi-use plastic waste - like plastic folders and wrapping - will also be eliminated, and other non-plastic products such as paper towels, will be minimised.

The City Corporation is also leading the Plastic Free City initiative – a rallying call to businesses and individuals to reduce and eliminate single-use plastics across the Square Mile.

Green Flag, Green Heritage

15 of the City Corporation’s open spaces have won the prestigious Green Flag Award, recognising them as some of the very best managed open spaces in the world.

The international award, run by the environmental charity Keep Britain Tidy, is now into its third decade. It rewards well managed parks and green spaces, setting the benchmark standard for the management of recreational outdoor spaces across the UK and the world.

Of the City Corporation’s 15 sites, 13 have also received the Green Heritage Award in recognition of their historic features and high standard of conservation.

News, info and offers at www.cityoflondon.gov.uk/eshot
Daily Mirror parent Reach joins race to buy the i paper owner JPI Media

ALEX DANIEL
@alexmdaniel

Reach, the owner of the Daily Mirror and Daily Express, is said to have thrown its hat into the ring to buy JPI Media, which owns the i newspaper. The firm, formerly known as Trinity Mirror, has reportedly made an indicative offer for the company, which owns hundreds of regional titles.

JPI Media was formed last year to buy out Johnston Press, which was taken over by creditors. Reach is said to be interested in buying most of the media titan, according to Sky News. It has already bought out the Express and Star newspapers and magazine OK.

The firm reported that profits rose to £345.6m last year, up from £124.7m. "If the takeover goes ahead, the new company would hold regional newspapers including the Scotsman, Manchester Evening News, the Yorkshire Post and the Daily Record. "Read chief executive Simon Fox said in the firm's most recent annual report that it would "continue to consider merger and acquisition opportunities which would accelerate our strategy where the financial case meets our requirements".

Grayling wanted to challenge ferry strategy in court

ALEXANDRA ROGERS
@city_amrogers

TRANSPORT secretary Chris Grayling has said he personally wanted to fight Eurotunnel’s legal challenge against the government’s no-deal Brexit ferry strategy in court but that Cabinet collectively decided to settle it.

In what was most likely his last appearance before the Transport Select Committee, Grayling yesterday said Cabinet had decided it could not jeopardise the supply of goods to the NHS, which was why it had sought extra ferry capacity in the event of a no-deal Brexit.

"It is a matter of great regret to me that an organisation that has been excluded by the Competition and Markets Authority for running a ferry operation took us to court on the basis that it should have been invited to challenge the ferry operation," he said.

"However, government collectively decided that although we would have liked to fight that case in court, we collectively decided we could not jeopardise the supply of goods to the NHS which is why we settled." Grayling faced a barrage of criticism for handing contracts to three ferry firms – including a £13.8m contract to Seaborne Freight, which owned no ships and had never run a ferry service for handing contracts to three ferry firms – including a £13.8m contract to Seaborne Freight, which owned no ships and had never run a ferry service.

Grayling later faced calls to resign.
Spread bets and CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. **75% of retail investor accounts lose money when spread betting and/or trading CFDs with this provider.** You should consider whether you understand how spread bets and CFDs work and whether you can afford to take the high risk of losing your money.
BHP iron output rebounds after stormy quarter

ANGER GRAHAM

@AugustGraham

ANGLO-AUSTRIALIAN miner BHP saw iron ore output rebound in the fourth quarter of the year, and forecast even higher production going forward.

Iron ore production hit 63m tonnes in the three months to June, a 12 per cent increase on the quarter before. It helped the firm avoid a drop in output for the financial year, unchanged at 238m tonnes.

Meanwhile, production of metallurgical coal rose 20 per cent in the quarter, driven by strong operational performances across our portfolio, including annual production records at a number of our petroleum, copper, iron ore and metallurgical coal operations,” he said.

Shares were largely flat on the news, rising around a quarter of a per cent. Relal Miab, an analyst at the Share Centre, said that BHP and fellow listed miner Rio Tinto are well positioned. It came after a mining dam burst in Brazil, hitting the world’s largest iron producer, Vale, and driving up prices.

For both BHP and Rio iron ore is a major part of their business and they are both beneficiaries of the supply constraints that have emerged after the tragic dam collapse in Brazil. "Iron prices have risen sharply and are reaching levels not seen since 2013,” he said.

Meanwhile, gold production fell 5.4 per cent and zinc by 6.2 per cent. Chief executive Octavio Alvidrez said that a lower grade of ore at its eponymous Fresnillo mine had impacted production.

“We expected 2019 to be challenging and we remain cautious,” Alvidrez said. Shares fell around 2.8 per cent.

Fresnillo falls as London miner slashes its production guidance

AUGUST GRAHAM

@AugustGraham

SHARES in miner Fresnillo fell as the firm lowered production guidance for the year yesterday, following delays and poor quality ore. The company said that production of silver in the second quarter hit 14.4m ounces, down six per cent.

"Iron prices have risen sharply and are reaching levels not seen since 2013," he said.

Meanwhile, gold production fell 5.4 per cent and zinc by 6.2 per cent. Chief executive Octavio Alvidrez said that a lower grade of ore at its eponymous Fresnillo mine had impacted production. "We expected 2019 to be challenging and we remain cautious," Alvidrez said. Shares fell around 2.8 per cent.

VIA-NO-GO Second-hand ticket website Viagogo gets banned from Google adverts

AUGUST GRAHAM

@AugustGraham

THE GOVERNMENT of Tanzania has ordered Acacia Mining to stop using a mining waste facility at one of its gold mines, as a tax dispute between the two drags on. Authorities shut down the facility after finding seepage coming from the site.

Acacia had failed to "contain and prevent" the leak, officials claimed. The firm said it had reached out to the government to ask for clarification before the ban comes into force on Saturday morning. It comes after years of stalemate in a tax dispute. The government claims the London-listed gold miner owes it $190bn (£153bn) in back taxes. It has slapped Acacia with a ban on exporting a gold-bearing ore from a mine in the country.

An international arbitration procedure, brought by the miner, was set to start in the latter half of this month. But Acacia revealed that it will suspend proceedings until a takeover bid from Barrick Gold, which is expected tomorrow. Barrick has said it is the only way to solve the impasse.

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Premier Oil cuts debt pile amid production gain

JOE CURTIS
@joe_r_curtis

PREMIER Oil cut 2019 operating costs and trimmed its debt pile in the first half of 2019, it told shareholders yesterday.

The London-listed firm cut net debt from $2.33bn at the end of 2018 to $2.15bn (£1.73bn) in the first half of 2019, to stay on track to cut full-year debt by over $300m.

Forecasting a cut in 2019 operating costs from $13 per barrel to $12 per barrel, Premier Oil averaged production of 84,100 barrels per day in the first half of 2019.

That represents an 11 per cent rise on the same period last year, leaving the company well prepared to hit its target of up to 80,000 barrels a day.

Premier Oil piled on debt as it developed the Catcher field area in the wake of 2014’s oil price crash.

Chief executive Tony Durrant said: “We have delivered a strong first half. I am particularly pleased with the continued high operating efficiency from our producing portfolio, which has enabled us to reduce our debt by $180m.

“This puts us in good stead to meet our debt reduction target for the full year, which remains a top priority for the group.”

UK revenue slumps at Ladbrokes owner GVC as £2 limit takes toll

SEBASTIAN MCCARTHY
@SebMcCarthy

GAMBLING operator GVC Holdings suffered a double-digit slump in its UK retail sales during the first half of 2019, blaming a recently introduced £2 limit on fixed-odds betting terminals.

The Ladbrokes and Coral owner reported a 10 per cent fall in like-for-like retail net gaming revenue (NGR) in its UK market, driven by a sharp drop in the second quarter of the year.

Yet in spite of tough comparatives against last year, when the football World Cup spurred betting, the bookmaker enjoyed a 17 per cent growth in its online NGR.

Sales soar at London luxury watch seller

SEBASTIAN MCCARTHY
@SebMcCarthy

THE UK’s biggest seller of Rolexes enjoyed a surge in appetite for luxury watches over the last 12 months, it revealed yesterday in its first financial results since floating on the London Stock Exchange.

Watches of Switzerland, which began life as a listed firm in the City less than two months ago, reported a 22.5 per cent rise in group revenue to £773.5m during the year to 28 April 2019.

Buoyed by a 28 per cent rise in sales for luxury watches to £631m, the firm posted double-digit rises in like-for-like revenue in both its core UK and US markets.

Operating profit climbed 21.6 per cent compared with the previous 12 months, hitting £45.5m, while pretax profit rose 181 per cent to £20.1m.

Boss Brian Duffy described the past 12 months as “a fantastic year”, saying he was “delighted that the group’s five-year transformation has culminated in a successful [listing]”.

Shares in the business, which was founded just over a century ago in Ludgate Hill, closed up 3p at 293p.
Talktalk holds guidance as full-fibre demand booms on the Netflix effect

JAMES WARRINGTON
@j_a_warrington

BROADBAND provider Talktalk yesterday said its first-quarter trading was in line with expectations, as growing demand for high-speed internet boosted sales. The telecoms firm posted a 1.3 per cent rise in revenue to £236.7m in the three months to the end of June, and said its full-year guidance remains unchanged.

Talktalk said the figures were boosted by insatiable demand for full-fibre broadband, with up to 75 per cent of new customers choosing the high-speed network.

This has been compounded by the fallout from a 2015 data breach, which led to the theft of personal data from more than 150,000 customers. In May the firm admitted that it had failed to notify almost 5,000 customers affected by the cyber attack.

However, Talktalk will be hoping its efforts to speed up its fibre broadband network will win over customers looking for faster, more reliable internet connections amid the rise of video-streaming services.

Talktalk said services such as Amazon Prime and Netflix have helped boost sales.

Ericsson makes right connection on profit target

JAMES WARRINGTON
@j_a_warrington

ERICSSON has posted second-quarter profit in line with expectations and said it was on track for the full year as it looks to expand its 5G rollout.

The Swedish telecoms firm posted a 10 per cent rise in net sales to £4.8bn, with operating profit grew to 3.7bn kronor, up from 0.2m the year before.

Ericsson, which is one of the main suppliers of equipment for 5G, said profit margins are negative in the short term, but said it would pay off in the long term.

The company could be set to benefit from a crackdown on rival Huawei, which is facing a ban in the US over spying fears.

Niklas Heuveldop, Ericsson’s North America chief executive, has warned that the UK’s plan to ban Huawei from parts of its 5G network made little technical sense.

He argued that the Chinese company should not be excluded from 5G networks, and said uncertainty over its role was harming confidence in the industry.

Ericsson has pledged to deliver an operating margin, excluding restructuring costs, of more than 10 per cent in 2020.

Overall, its gross margin rose to 36.6 per cent from 34.8 per cent a year ago. Excluding restructuring charges, the margin fell to 36.7 per cent from 38.5 per cent.

In North America, continued 4G and 5G deployments in South Korea and 4G deployment in mainland China boosted business.

Audioboom gains from sound platform for podcast advertisers

JAMES WARRINGTON
@j_a_warrington

AUDIOBOOM posted a huge rise in revenue in the first six months of the year as it continues to cash in on advertising in the lucrative podcast market.

The Aim-listed company reported first-half revenue of £9.8m (£7.9m), against the £3.6m posted in the same period last year.

Audioboom, which hosts podcasts from celebrities including Jonathan Ross and Heston Blumenthal, also slashed its overall loss by almost 50 per cent to £2.8m following a cost-cutting plan.

Audioboom said its first-half growth outstripped the wider market, as it grew its roster of advertisers.

“Considering the potential marketplace we are creating, with a record 135m individuals listening to at least one Audioboom podcast in June, this global reach presents many possibilities within the global digital marketplace,” said chief executive Rob Proctor.

Digital bank N26 valued at $3.5bn as it adds $160m onto its series D

EMILY NICOLLE
@emilyncole

GERMAN fintech starlet N26 has upped its valuation to $3.5bn (£2.8bn), after extending its series D funding round to raise another $160m.

The digital banking app has now raised a total of $470m in the round, which included investors such as Insight Venture Partners, Singapore’s sovereign wealth fund GIC, Tencent, Allianz X, Peter Thiel’s Valar Ventures, Earlybird Venture Capital, and Greyhound Capital. To date, N26 has raised more than $670m.

“This will allow us to accelerate our global expansion. The further increase in valuation is a great testament to the company’s development over the last months,” said N26 co-founder Maximilian Tayenthal.

The startup said it will use the funds to accelerate its expansion in Europe and the US, with plans to launch in Brazil soon.

N26 recently began a widespread marketing campaign across the Tube network in London, and this week relaunched its premium offering N26 You to its 3.5m users.

Monzo and Revolut-rival N26 has raised more than $670m from investors to date

EMILY NICOLLE
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The firm launched across the pond only last week, and now has more than 1,300 employees globally.

This has been compounded by the fall out from a 2015 data breach, which led to the theft of personal data from more than 150,000 customers. In May the firm admitted that it had failed to notify almost 5,000 customers affected by the cyber attack.

However, Talktalk will be hoping its efforts to speed up its fibre broadband network will win over customers looking for faster, more reliable internet connections amid the rise of video-streaming services.

Talktalk said services such as Amazon Prime and Netflix have helped boost sales.

Ericsson makes right connection on profit target

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ORY members are electing their new leader and the next Prime Minister. Boris Johnson or Jeremy Hunt’s premiership will be dominated by a few issues – solving the Brexit deadlock in parliament, funding public services, and healing the country’s divides. But while it hasn’t featured as prominently as the European issue, infrastructure is of key strategic importance to the UK economy. It is a major employer and driver of economic growth.

No one would deny that the challenge successive governments have faced in delivering significant infrastructure projects in the UK – whether Heathrow’s third runway, HS2, Crossrail, or the A9 road connecting Falkirk to Thurso, Perth to Inverness – is complex. Project and cost management is clearly required in infrastructure.

Clear, consistent and effective decision-making is critical throughout the process as the projects are selected, financed and built to provide taxpayer value for money.

WHERE HAVE ALL THE LEADERS GONE?
The research found that a lack of political leadership can often manifest in the prioritisation of new – preferably high-profile – projects, over the necessary maintenance of existing public assets.

To help mitigate this bias, the government should collect data looking at the potential of existing infrastructure, and on the performance of past projects.

Another solution could be to publish an annual assets and facilities report, which includes detailed evidence on the backlog of maintenance of existing assets.

FINDING FINANCE
The second barrier we identified was around the lack of finance and funding – specifically when accounting for higher costs of private capital.

To close this finance gap in the UK, the next government should consider innovative revenue funding schemes, such as value capture, which recovers some of the value that public infrastructure generates for private landowners.

WHISTLE-BLOWING
The third and final barrier concerns planning and regulatory issues, for example where governments fail to monitor and use proper oversight in delivering infrastructure projects.

To guard against this, the next Prime Minister should prioritise professionalising the UK Finance Function, while also bringing forward whistle-blowing legislation to give public servants the support required to challenge unethical behaviour which can end up derailing infrastructure projects.

LIFE CYCLE
Our report also demonstrates how bringing accountants to the centre of infrastructure decision-making will improve the selection, financing, and delivery of projects.

The accountant’s unique skills, experience, and perspective can mean the difference between success and failure in these projects.

Let’s bring them in across the entire life cycle, and as a critical member of the professional team.

We face the major challenges of adapting to changing climates and demographics, while also needing to respond effectively to increased cyber threats.

The next Prime Minister’s attention may well be dominated by Brexit, but each of these trends together means our country needs quality infrastructure, and much more of it.

Helen Brand OBE is the chief executive of ACCA.
Fashion retailer Koovs pins hopes on 2020 growth despite sales dip

JAMES WARRINGTON
@j_a_warrington

INDIAN fashion retailer Koovs said it is on track for a return to growth in 2020, despite a decline in sales over 12 months. The London-listed firm posted net sales of £7.5m in 2019, down from £9.6m the previous year, while revenue was flat at £6.6m. Shares in Koovs fell eight per cent, but the company said the business is well-placed to return to growth next year.

The online retailer, which offers western fashion for Indian consumers, said its recovery at the end of the last financial year has continued, with gross order value up 104 per cent in the first quarter.

Koovs, which is led by Labour peer Lord Alf Young, also increased its trading margin to 18 per cent, and has seen web traffic grow to 75.9m.

“Koovs is firmly back on track, evidenced by the 104 per cent growth experienced in first-quarter trading,” said Alli. “We are excited about the rest of the year, as we continue to invest in both marketing and our product range.”

Earlier this year the Aim-listed firm secured an investment deal with future lifestyle fashions, a subsidiary of India’s largest retail group.

Severn Trent ‘on course’ to meet financial targets

ALEX DANIEL
@alexmdaniel

WATER giant Severn Trent shares fell slightly yesterday after it said it had made a “good start” to its financial year.

The London-listed company said it is on course to hit its annual targets in a first-quarter trading update.

In a trading update for the period 1 April to 17 July Severn Trent said it was on track to deliver at least £25m in customer outperformance pay-outs this year.

It said customers had experienced continued improvement in the areas that “matter most to them”.

The statement follows a warning from the Environment Agency (EA) to clean up its act last year, after the watchdog described its performance as “simply unacceptable”. An EA report in 2018 showed only one of the major water firms in England was performing at the level expected. Severn Trent’s rating fell from four to three stars.

“Overall, we have made a good start to the financial year and there has been no material change to current year business performance or outlook since the Group’s full-year 2018/19 results presentation on 21 May,” Severn Trent said. “The board continues to expect that the group will deliver full-year trading performance in-line with its expectations and prior guidance.”

The FTSE 100 firm held its annual shareholder meeting yesterday, which could be the last for outgoing chairman Andrew Duff.

Duff announced he would retire in May, after nine years at the helm. However, he said he would serve until a successor had been brought in. Duff was re-elected by 98.5 per cent of shareholders yesterday.

The departure comes as the company implements its new business plan after being awarded fast track status by Britain’s water industry regulator Ofwat.

Ofwat said earlier this year it had agreed bill reductions of between five per cent and 15 per cent with three of the country’s leading utility companies, including Severn Trent, which supplies water across the Midlands region.

Setback for Ryanair as UK pilots poised for ballot on strike action

CONOR HUMPHRIES

RYANAIR’s British pilot union is to ballot members on possible strike action over working conditions, the British Airline Pilots Association (Balpa) announced yesterday.

The results are due on 7 August and action by pilots in the airline’s largest market could take place two weeks later, the union told members in a memo seen by Reuters.

The ballot is a setback for management at Europe’s largest low-cost carrier, who recently said they had largely resolved a dispute with pilots and cabin crew.

Ryanair suffered damaging strikes last year after it bowed to pressure in late 2017 to recognise unions for the first time. Balpa general secretary Brian Strutton said no progress had been made on issues including pensions, maternity benefits and “a fair, transparent, and consistent pay structure”. Ryanair, which says it offers some of the best conditions for low-cost short-haul flying, in Europe, did not immediately respond to a request for comment.

Boisdale of Canary Wharf

Jools Holland is Boisdale’s Patron of Music

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QUEEN • DAVID BOWIE • AMY WINEHOUSE

Friday 2 August
The Overtures: “The best band of their kind in the world” Sir Elton John
Saturday 3 August
Imagine… The Beatles
Monday 6 August
Great British Juke Box with the Geoff Haves Band
Tues-Thurs 6-8 August
The Stones: The Rolling Stones Greatest Hits

Friday 9 August
The Overtures: “The best band of their kind in the world” Sir Elton John
Saturday 10 August
Some Guys Have All The Luck: The Rod Stewart Story
Monday 12 August
Great British Juke Box with the Geoff Haves Band
Tues-Weds 13-14 August
Tribute to Elton John Max Brennaman Band
Thursday 15 August
The Best of Queen with the Bohemians
Fri-Sat 16-17 August
The Edwin Starr Band
Tues-Weds 20-22 August
Tribute to Elton John Max Brennaman Band
Thursday 22 August
The Best of Queen with the Bohemians
Friday 23 August
Northern Soul Live with Angelo Starr and Lorraine Silver
Saturday 24 August
A Tribute to Pink Floyd with Atom Heart Floyd
Tues-Thurs 27-29 August
Great British Juke Box with the Geoff Haves Band
Thursday 29 August
The Best of Queen with the Bohemians
Friday 30 August
The Overtures: “The best band of their kind in the world” Sir Elton John
Saturday 31 August
Grand Finale: The Real Thing: British soul sensations
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The online retailer offers western fashion for Indian consumers
Oil majors lead FTSE 100 lower as price fears bite

The FTSE 100 index tumbled yesterday amid sharp falls in oil majors as investors priced in an overnight slide in crude to one-week lows, while downbeat trading updates knocked chemicals group Johnson Matthey and miner Fresnillo.

Shell and BP slipped 1.5 per cent and 2.9 per cent respectively and were the biggest drags on the blue-chip index, pulling the FTSE 100 0.6 per cent lower even as global oil prices recovered some ground. The midcaps dipped 0.2 per cent.

Johnson Matthey skidded 5.4 per cent, its biggest one-day fall in nearly four years, to the bottom of the main index after it said profit at its Clean Air business, which provides the lion’s share of earnings, would fall this year.

Fresnillo slid 2.8 per cent after it cut its annual production targets, citing lower-than-expected ore grades. The falls across oil stocks, banks and miners more than offset gains for exporters like Imperial Brands and Diageo, which benefitted from the pound’s slide to a two-year low again.

EUROPEAN car sales hit the brakes as...
Public speaking – not so scary after all?

If the thought of talking in front of strangers makes your blood run cold, this may help

Nick Gold

When we are young, public speaking is framed as sharing, explaining, and telling stories that are close to us. The comfortable environment we speak in ensures that it doesn’t feel like a terrible moment under the spotlight, but a chance to communicate with peers.

Yet by the time we head off to university, public speaking undergoes an incredible shift of formalisation. Suddenly it counts for 20 per cent of our grade, and we have to speak in front of strangers and a ticking clock. Our palms are sweaty, the week leading up to the event is filled with sleepless nights, and we are debating our escape routes.

This demon doesn’t leave us when we enter the workplace. Instead of being judged by equals, we’re now surrounded by giants.

But it doesn’t have to be like this. So how do we fix it?

There isn’t a silver bullet – the only way to become more confident at public speaking is to practise.

We must take the manufactured pressure of public speaking

There isn’t a silver bullet – the only way to become more confident at public speaking is to practise.

This isn’t an excuse to stand in front of the mirror. Instead it means speaking to real people and – crucially – receiving honest feedback.

The key to a great talk lies in the content. If you are knowledgeable about your subject matter and have a clear idea about where you want the ideas to go, then speaking about it can be straightforward. It is the environmental factors that induce fear. Whether we talk to our friends about Game of Thrones or speak to colleagues about a client we know inside out, the atmosphere should be treated the same. Both are an opportunity to air ideas, share expanded thoughts, and offer a renewed way of thinking to our audience.

As a manager, it’s your job to bring them into the conversation, give them the confidence to express their ideas, and enable an open honest dialogue.

A classic way to do this is to ask questions without providing definitive answers. Use breakout sessions to involve the entire team and allow them to have their voices heard. Encourage team leaders to step back and let their talented colleagues flourish.

Public speaking is not only incredibly powerful, but natural, too. From a young age, we are all orators. In order for this to continue, we must take the manufactured pressure off public speaking, lower the pedestal we have placed it on, and go back to the basics.

It seems we have a lot to learn from “show and tell.”
This week, we celebrate 50 years since Apollo 11’s first landing of humans on the moon – one of humanity’s greatest achievements.

The technologies born of the Apollo missions shaped life on Earth in more ways than we often recognise through innovations we use every day.

The next moon landings will spur giant leaps here on Earth

Kaigham Gabriel

The next moon landings will also be put to work on Earth, helping to create the next generation of autonomous vehicles and systems for transport, manufacturing, and smart cities.

**SUSTAINABLE ENERGY PRODUCTION AND STORAGE**

The constraints of the lunar environment will shape the systems we take for granted on Earth, like electrical power, need to be generated and delivered differently.

Obviously, fossil fuels and wind power aren’t available, but with one lunar day lasting 14 Earth days, solar power is in abundant supply. The lack of air means that we need new ways to store energy during the equally long lunar night.

A range of other sustainable sources, such as waste-free nuclear energy, will be explored as well, with the European Space Agency planning to mine on the moon for four years.

There are countless examples from recent decades of technologies developed through space exploration that benefited us enormously here on Earth as well.

**REMOTE MEDICINE**

Medical care for the humans living and working on the moon will come with unique logistical and cost challenges. Medical expertise and treatments that would be readily available on Earth simply aren’t options.

As a result, progress needs to be made in areas including on-demand production of medicine and robotic-assisted telemedicine and surgery.

These advances offer the potential for profound improvements to delivering medicine on Earth – particularly to remote and developing areas.

**SPACE TOURISM**

The UK Space Agency is in good company withJeff Bezos’ Blue Origin, Elon Musk’s SpaceX, and other private sector firms by putting in place the building blocks for sending people into orbit. But it will also be merely for the sheer exhilarating experience itself, or as part of a short transcontinental flight – think London to Australia in just 90 minutes.

The agency recently announced a pledge of £22m for Europe’s first spaceport to be built in Cornwall. In partnership with Richard Branson’s Virgin Galactic, it is aiming to launch sub-orbital flights in the early 2020s.

**LIFE ON MARS?**

As the next moon missions bring or do not bring, one thing is clear: humans have an inescapable drive to see what’s over the next horizon.

That next horizon has been beckoning for 50 years, and the space race currently underway offers the promise to deliver even more giant leaps for mankind.

**LOOKING TO THE HORIZON**

Whatever advances the next lunar missions bring or do not bring, one thing is clear: humans have an inescapable drive to see what’s over the next horizon.

This isn’t because people are oblivious to the issue. On the contrary, two thirds of Brits said that they cared more about the environmental impact of the goods they use now than they did five years ago.

Clearly the corporate world has to wake up to the strength of feeling towards sustainability.

Much of the noise we’re hearing from corporates at the moment focuses on creating various environmentally friendly offerings. But today’s consumers emphatically expect businesses to embed sustainability across everything they do, so that the impact is no longer something they have to worry that they might make the ‘wrong’ choice.

The good news for business is that, while consumers do mainly look to manufacturers to take responsibility, there isn’t any illusion that it will come without cost to themselves. Our research found that most would be willing to pay an average of 8.5 per cent more for products that are more environmentally friendly.

Of course, a huge question mark hangs over whether they would actually vote with their feet and choose to pay the premium they say they will.

But in today’s Atkinsenborough-inspired commercial landscape, firms don’t really have much of a choice.

Since Blue Planet aired, calls for us all to be more conscious of our consumption have become unrelenting.

At this very moment, people are protesting across the country, the government is setting tough new targets on emissions after declaring a state of emergency, and retailers are endeavouring to think of new ways they can innovate at the point of sale.

This isn’t a trend that businesses can afford to ignore, regardless of whether they are consumer-facing or behind the scenes. The pressure is on, across all demographics.

Interesting, we found that it is those under 24 and over 55 who are most engaged in this fight to be more environmentally friendly. Perhaps these generations are thinking about the future they’ll be stepping into and the legacy they’ll be leaving behind.

It’s clear that the pressure on all stakeholders will only grow, especially as the more engaged younger generation gains economic power and as the impact of global warming comes more sharply into focus.

The time for thinking and token gestures is over. It’s now time for hard action and results.

**LETTERS TO THE EDITOR**

Tulipmania

(Re: Was Sadiq Khan right to reject plans for the Tulip tower?)

The mayor’s decision to nix the Tulip in the building design contest is vitally interesting one. Its timing is no coincidence, coming just days after the launch of architecture and design website dezeen.com.

Through these platforms, designers of built environment professionals have signed up to a commitment to avoid the harmful environmental effects which might occur through inappropriate design of buildings. The leadership being shown by the Royal Institute of British Architects and the Institution of Structural Engineers (IstructE) is enabling these professionals to design buildings with due regard for the environment. I feel that this a crucial setting for Khan’s decision.

As chair of IstructE’s Structural Awards judging panel, I can state unequivocally that our expectations for the design of tall buildings are heightened in the modern era towards a clear commitment for resource efficiency and societal benefit. Against this backdrop, some buildings, including the Tulip, might have larger than ever question marks over them.

Professor Tim Ibell, University of Bath

The good news for business is that we have a clear commitment for hard action and results.

“...we need to wake up to the strength of feeling towards sustainability.”
Young voters today care about far more than just tuition fees

Sophie Phillipson

S TUDENT debt is, once again, pledge fodder as politicians jostle for power. Conservative leadership hopeful Jeremy Hunt has promised to wipe student debt for successful entrepreneurs and reduce interest on loans, the Brexit Party has pledged to remove and reimburse interest altogether, while Labour has long vowed to scrap tuition fees entirely.

It’s not hard to see where this sentiment is coming from. Politicians of all parties have woken up to the fact that support from the youngest members of the electorate is crucial. This is, in part, due to political activism over the climate crisis by engaged future voters, but the EU referendum also saw away the stereotype that the young don’t vote.

Post-referendum polling revealed a 64 per cent turnout among 18-34 year olds, not dissimilar to the turnouts for 25-39 year olds and 40-54 year olds. But alas, while our politicians understand the need to engage young voters, it seems that they view reducing the cost of higher education as the only way to win them over.

There is little doubt that the higher education system needs overhauling, with more options for part-time and technical learning, a restructuring of interest rates on student debt, and the reintroduction of maintenance grants. But young voters have more pressing concerns than the cost of a degree. A 2017 General Election Day poll by Lord Ashcroft found that the single concern than the cost of a degree. Lord Ashcroft found that the single concern than the cost of a degree. Brexit (15 per cent), austerity, poverty and economic inequality (13 per cent)

and jobs (10 per cent). Why not student debt? First, unlike other forms of debt, student loan repayments are calculated on how much you earn, not how much you owe. Only the very highest earners will repay in full – in fact, the Institute for Fiscal Studies estimates that 83 per cent of graduates will never pay back the total amount they borrowed.

Second, according to the Department for Education, 49.8 per cent of people under the age of 30 have pursued higher education. While this figure has risen significantly in the past decade, most under-30s have things on their minds other than university. Politicians are focusing on an issue that is essentially irrelevant to half the demographic, when there are other policy areas that really do matter.

It is predicted that one in three millennials will never own a home – a major issue given that, according to the Office for National Statistics, millennials will never own a home – a major issue given that, according to the Office for National Statistics, millennials will never own a home – a major issue given that, according to the Office for National Statistics, millennials will never own a home – a major issue given that, according to the Office for National Statistics, millennials will never own a home – a major issue given that, according to the Office for National Statistics, millennials will never own a home. While this figure has risen significantly in the past decade, most under-30s have things on their minds other than university. Politicians are focusing on an issue that is essentially irrelevant to half the demographic, when there are other policy areas that really do matter.

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Politicians should stop aiming to tick the youth-vote-box with the obvious

Sophie Phillipson is founder of student and graduate support site HelloGrads.

DEBATE

Would the railways run better with an independent ‘fat controller’ in charge, as recently proposed?

Commuters are right to be angry with the state of Britain’s railway network, with its unpalatable combination of high fares, delays and trains so packed that one feels like a canned sardine.

We seem to be paying significantly more each year for a deteriorating service, with train punctuality at a 13-year low in 2018.

Understandably given this, there is a great deal of sympathy for the railways to be renationalised. But this would be the wrong solution to the problem.

Under nationalisation, rail fares risk becoming a political weapon, frozen ahead of General Elections and leaving taxpayers to pick up the shortfall.

Further, with government under pressure to spend money elsewhere, rail investment risks being overlooked.

Rather than nationalisation, what we need is a much better regulated private industry. A new, independent ‘fat controller’ figure, overseeing the rail network, should manage a tougher regime – doing more to hold underperforming train operators to account and ensuring that fares are fair.

Keith Williams, chair of the Rail Review’s expert challenge panel, is proposing the opposite of what is needed.

To get to grips with the chronic fragmentation and poor services on our railways, and to decarbonise, we need an overarching rail strategy, linked to a wider national transport strategy. Only the state can take this view, but without control of the levers, it’s hard to see how rail and other public transport can be truly integrated and given strategic direction.

This need not be the central state – the great growth in rail journeys has been caused by commuting in and out of cities, so it makes sense for integrated transport strategies to be regional. And, as with other public services, the state needs to be open to scrutiny, especially from those who use, work or depend on railways.

Our railways should be in public hands, run for public good, and guided and scrutinised by passengers, unions and rail workers – not a bureaucratic or company shill, fat or otherwise.

Andrew Pendleton is director of policy and advocacy at the New Economics Foundation.

YES

Scott Corfe

NO

Andrew Pendleton

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THE £85M OPEN WINDFALL

Northern Ireland set for huge economic boost for hosting the golf Major, writes Michael Searles

For just the second time in golfing history, the Open Championship is being held outside of England and Scotland. Starting today, the sport’s oldest and most prestigious tournament returns to Royal Portrush in Northern Ireland, where it was hosted on the only other occasion it left the British mainland in 1951.

For one man in particular, Rory McIlroy, returning to a venue where he set the course record with a round of 61 at the 2005 North of Ireland Boys Amateur Championship when just 16 years old and, perhaps most significantly of all, deliver a huge boost to the economy. With Dunluce Castle – a feature of hit television series Game of Thrones – looming in the background, the small town of Portrush on the north coast of Northern Ireland, usually home to just 7,000 people, will welcome around 215,000 fans over the event’s duration. Between them, they are expected to spend £17.5m at hotels, shops, restaurants and bars, with an estimated total economic impact of £33.4m for the whole country, according to a forecast by Sheffield Hallam University’s Sport Industry Research Centre.

Organisers the R&A predict it will be the largest ever sport event hosted in Northern Ireland, while a study from Kantar Media says the country could derive a destination marketing benefit from global television exposure worth a further £50.9m, with around 600m households expected to tune in across more than 150 countries worldwide.

It means the tournament could bring a combined £84.3m economic boost to the country, a figure in the region of the R&A’s claim that hosting The Open is worth up to £100m. Royal Birkdale derived benefits of £17m in renovations to the area, and before Tiger Woods lit up the tournament’s 148-year history.

The excitement for this event’s arrival was there before that, before the £17m in renovations to the area, and before Tiger Woods lit up the comeback trail with a Masters win earlier this year.

A further 15,000 Championship Day tickets were released in April, selling out within three days. The enhanced infrastructure, which includes an overhall of the railway station, is part of an agreement that will see Portrush host the Open three times before 2040.

The 148th Open is being widely welcomed as a showcase of epic proportions and is only for Royal Portrush Golf Club but for the town, for the Causeway Coast area and for Northern Ireland as a whole. The economic benefits of hosting The Open here will be felt for years to come, bringing visitors from across the globe to enjoy not only golf but all the other great experiences that Northern Ireland has to offer. While there will surely be intense scrutiny on McIlroy’s homecoming, this week all eyes will also be on Portrush.